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09/219,267	12/23/1998	JAY S. WALKER	WD-98109	2012

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EXAMINER
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MYHRE, JAMES W

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 12/14/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/219,267

Applicant(s)

WALKER ET AL.

Examiner

James W Myhre

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 07 October 2004.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-44, 46-50 and 56-64 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-44, 46-50 and 56-64 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- ☐ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 20041007.
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: \_\_\_\_\_.

## DETAILED ACTION

### *Response to Amendment*

1. The amendment filed on October 7, 2004 has been considered but is ineffective to overcome the Myhre (Examiner's Affidavit), Logan et al (5,721,827), Saxe (5,636,346), and Weinblatt (5,515,270) references. The amendment canceled Claims 45 and 51-55 and amended Claims 1, 2, 5, 61, and 62. The currently pending claims considered below are Claims 1-44, 46-50, and 56-64.

### *Claim Rejections - 35 USC § 103*

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1, 2, 5-16, 18, 19, 29-32, 42-44, 49, and 56-64 are rejected under 35 U.S.C. 103(a) as being unpatentable over Myhre (Examiner's Affidavit) in view of Logan et al (5,721,827).

Claim 1: Myhre discloses a method for providing a discount to a customer which includes:

a. Receiving an indication that a customer is to purchase an item from a merchant;

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b. Providing an offer (discount/subsidy) to the customer from a second merchant (manufacturer/advertiser/service provider) prior to the purchase transaction being completed;

c. Receiving a response from the customer accepting the offer; and

d. Applying the benefit (discount/subsidy) to the item.

The Examiner notes that Radio Shack would "present a list of service plans offered by Sprint with their costs and the amount of discount each would bring on the current purchase of the cell phone" once the customer indicated his desire to purchase the cell phone (steps a and b above). If the customer accepted the subsidy offer and completed the Sprint service application form, the discount on the cell phone purchase would be given upon receipt of an approval code from Sprint (steps c and d above). Each of the service plans had various rules which delineated the qualifications needed to be met by the customer and/or cell phone before it was a viable offerable option, e.g. subsidy based on length or terms of service contract, cost of phone, age or other demographics of the customer, etc.

While Myhre does not explicitly disclose that the customer is conducting the transaction on the merchant's web site, Official Notice is taken that it is old and well known within the retail arts for merchants to conduct business and sell a myriad of products, to include cellular telephones, on the Internet through web sites. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to update the circa 1990 Radio Shack system to sell products via an online web site. One would have been motivated to sell products via a web site in order to

reach a far wider range of customers. This is the basic reason so many companies have migrated at least part of their product sales to the Internet in the past 10-12 years.

While Myhre does not explicitly disclose that the offer is from a second merchant who has been selected from a plurality of merchants based on the customer information, Logan discloses a similar method and further discloses providing an offer from a second merchant selected from a plurality of merchants based on the customer information (col 9, lines 23-50). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use customer information, such as an indicated preference for a service provider (e.g. Sprint or AT&T), to present an offer to the Radio Shack customer. One would have been motivated to select the offer from a plurality of secondary merchants in order to give the customer greater latitude in the selection of service plans and providers, thus increasing the likelihood that the customer would accept the offer. If, for instance, the customer had several bad experiences with AT&T in the past, there would be little incentive, and probably much disincentive, for the customer to accept the subsidy offer if it bound him to a year-long service contract with AT&T.

Claim 2: Myhre and Logan disclose the method as in Claim 1 above, and Myhre further discloses receiving customer information (via the Sprint service application form). The Examiner notes that the application form would contain at least the customer's name and address along with other pertinent information such as financial account, existing telephone number(s), and any other information that Sprint would need to determine whether or not to approve the application. While the application

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would also include information about the product (cellular telephone) that was being purchased by the customer, that information would be entered by the store clerk, not by the customer.

Claim 5: Myhre and Logan disclose the method as in Claim 2 above, and Logan further discloses providing an offer from a second merchant selected from a plurality of merchants based on the customer information (col 9, lines 23-50). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use customer information, such as an indicated preference for a service provider (e.g. Sprint or AT&T), to present an offer to the Radio Shack customer. One would have been motivated to select the offer from a plurality of secondary merchants in order to give the customer greater latitude in the selection of service plans and providers, thus increasing the likelihood that the customer would accept the offer. If, for instance, the customer had several bad experiences with AT&T in the past, there would be little incentive, and probably much disincentive, for the customer to accept the subsidy offer if it bound him to a year-long service contract with AT&T.

Claim 6: Myhre and Logan disclose the method as in Claim 2 above, and Myhre further discloses providing an offer based on the customer information (indication of willingness to purchase the cell phone). It also would have been obvious to base the offer on other types of customer information, such as marital status. For example, it would have been obvious to present to a customer who is married and has teenage children an offer for a family calling plan (and, if the salesman is any good, additional

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phone sets). Whereas, such an offer would be inappropriate, or at least more likely to be rejected, if the customer was a young, unmarried college student.

Claim 7: Myhre and Logan disclose the method as in Claim 2 above, and Myhre further discloses requesting and receiving customer information from the customer (completing the Sprint service application form).

Claims 8 and 9: Myhre and Logan disclose the method as in Claim 7 above, and Myhre further discloses transmitting a question to the customer and receiving the customer's answer (inherent in application forms).

Claim 10: Myhre and Logan disclose the method as in Claim 2 above, but do not disclose verifying the accuracy of the customer information. Official Notice is taken that it is old and well known within the information arts to verify incoming data, such as customer information (see col 9, lines 9-14 of Woolston, 5,845,265, submitted by Applicant as item EE on the Information Disclosure Statement filed on May 19, 1999, paper number 5, as support for this Official Notice) . Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to verify the customer information upon receipt. One would have been motivated to verify the accuracy of the information in order to ensure the database is kept as up-to-date and as accurate as possible and to facilitate the approval process by Sprint. If incorrect customer information has been entered on the application form, such as a misspelled name, it may be impossible for Sprint to complete a credit check and issue an approval of the application.

Claims 11-13: Myhre and Logan disclose the method as in Claim 10 above, but do not disclose assessing a penalty if the customer information is not accurate. Official Notice is taken that it is old and well known within the information arts to penalize users when the entered information, such as log-in and password information, is not accurate. It is also well known that this penalty may take many forms, such as monetary, denial of service, disconnection, etc. (see col 4, lines 33-39 of Baker et al, 5,884,292, submitted by Applicant as item FF on the Information Disclosure Statement filed on May 19, 1999, paper number 5, as support for this Official Notice). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to penalize the customer for inaccurate information. One would have been motivated to penalize the customer in one of these manners in order to ensure the accuracy of the information retained in the database and to enforce any limitations on the benefit, such as the number of times a customer may receive the benefit within a specified time period, etc. Myhre implies such a penalty when Sprint returns a non-approval (rejection) of the application form, thus preventing the customer from not only receiving the benefit, but also from being able to activate the cell phone at the time of purchase (unless another service provider approves a secondary offer to the customer).

Claim 14: Myhre and Logan disclose the method as in Claim 10 above, but do not disclose verifying the information prior to consummating the purchase. Official Notice is taken that it is old and well known and would have been obvious to one having ordinary skill in the art at the time the invention was made to verify the customer information prior to processing the transaction (see col 4, lines 33-39 of Baker et al,



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5,884,292, submitted by Applicant as item FF on the Information Disclosure Statement filed on May 19, 1999, paper number 5, as support for this Official Notice). One would have been motivated to ensure this prior to completing the transaction in order to prevent entry of fraudulent or inaccurate information into the database, to ensure the purchased item is delivered to the correct address, and to ensure that the credit card data is correct prior to releasing the merchandise to the customer.

Claims 15 and 16: Myhre and Logan disclose the method as in Claim 2 above, and Myhre further discloses providing the offer after receiving and based upon the customer information (indication of willingness to purchase the cell phone).

Claim 18: Myhre and Logan disclose the method as in Claim 2 above, and Myhre further discloses that the customer information includes the location or Internet address of the customer (customer address on the application form).

Claim 19: Myhre and Logan disclose the method as in Claim 1 above, and Myhre further discloses that the benefit is a reduced price (discount) for the item (subsidized price).

Claims 29-32: Myhre and Logan disclose the method as in Claim 1 above, and Myhre further discloses requesting the customer to participate in a transaction with a second merchant (signing a service contract), receiving an indication from the customer agreeing to such participation, and that the agreement is to initiate a service contract with the second merchant.

Claim 42: Myhre and Logan disclose the method as in Claim 1 above, and Myhre further discloses providing the offer only when a predetermined rule is satisfied

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(customer indicates willingness to purchase the cell phone)(i.e. the offer to subsidize the purchase of a cellular telephone is not provided if the customer is purchasing a computer).

Claims 43 and 44: Myhre and Logan disclose the method as in Claim 1 above, and Myhre further discloses provide a plurality of offers from the merchant ("list of service plans") and receiving an indication of a selected offer from the customer.

Claim 49: Myhre and Logan disclose the method as in Claim 1 above, and Myhre further discloses receiving a payment from the second merchant upon acceptance of the offer ("Sprint would reimburse Radio Shack").

Claims 56-60 and 63: Myhre and Logan disclose the method as in Claim 1 above, and Myhre discloses transmitting a form to the customer who completed the form and returns it to the system. However, Myhre does not disclose that the offer is a discount based on the customer's application for a credit card, nor that the customer completes and submits an application form online after the system determines that the customer does not already have another credit card account with the credit card issuer. Official Notice is taken that it is old and well known within the marketing arts to make promotional offers to customers who will complete and submit application forms for credit cards (see the Times Newspaper article by Stephen Ellis, "Credit card forms drive down costs", submitted by Applicant as item GG on the Information Disclosure Statement filed on May 19, 1999, paper number 5, which is cited in support of this Official Notice). These offers are not only made at a merchant's point of sale, but are prevalent throughout our "plastic" society. Indeed, with the advent of "sponsored" credit

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cards several years ago, such as banks and even gasoline companies issuing VISA cards, surveys have shown that each American receives dozens of such offers each year. Indeed, even Radio Shack offered its own brand of credit card and included a percentage discount on your first purchase with it. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include a promotion based on a credit card application by the customer. One would have been motivated to use such a promotion in order to increase the amount of credit available to the customer, thus enticing the customer to spend more at the merchant. One would have been motivated to ensure that the customer did not already have an account with the credit card issuer in order to avoid providing an excessive credit limit to a customer.

Claim 61: Myhre and Logan disclose the method as in Claim 1 above and Myhre further discloses the second merchant (service provider) providing offers targeted to the specific customer, but does not explicitly disclose sending the customer information to the second merchant prior to receiving the targeted offer. It would have been obvious to one having ordinary skill in the art at the time the invention was made that the second merchant would require the customer information in order to provide an offer targeted to that customer. Therefore, Myhre's disclosure of providing targeted offers from the second merchant infers that the customer information has been received by the second merchant prior to selection of the offer. One would have been motivated to provide the customer information after receiving the indication that the customer is willing to

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purchase an item in order to allow new customers, whose information was just being collected, to participate in the customized offer system.

Claim 62: Myhre and Logan disclose the method of Claim 1 above, and Logan further discloses generating a customer interface for allowing the customer to interact with the system (col 10, lines 51-55). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the Radio Shack customer to interact with the system via a customer interface. One would have been motivated to use such a customer interface to facilitate completion of the application form by the customer, thus eliminating the need to use a facsimile machine to send the completed form to Sprint.

Claim 64: Myhre and Logan disclose the method as in Claim 63 above, and Myhre further discloses charging the amount, based on the difference between total price and price charged, to the customer, but does not explicitly disclose that it is charged to the customer's credit card. Official Notice is taken that it is old and well known within the retail arts for customers to make purchases using credit cards. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the Radio Shack customer to credit the purchase price to a credit card account. One would have been motivated to charge the purchase price to a credit card account in order to eliminate the need for handling large amounts of cash by the customer and merchant.

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4. Claims 3, 4, 17, and 33-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Myhre (Examiner's Affidavit) in view of Logan et al (5,721,827) and in further view of Saxe (5,636,346).

Claims 3, 4, and 33: Myhre and Logan disclose the method as in Claim 2 above, but does not disclose that the customer information includes a service or service provider. Saxe discloses a similar method in which the customer information includes the customer's "cable account numbers and cable system identification numbers" (col 4, lines 18-27). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include information about Myhre's customer's service and service provider. One would have been motivated to include this information in order to increase the accuracy and utility of the customer information database when used for marketing programs, such as Sprint presenting special offers to new customer if they switch their other telephone services (local and/or long distance) to Sprint.

Claim 17: Myhre and Logan disclose the method as in Claim 1 above, but does not disclose receiving the customer information from a third party. Saxe discloses a similar method which receives the customer information either directly from the customer as Myhre discloses, or from "third party demographic sources" (col 6, lines 39-48), etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to obtain at least part of Myhre's customer information from third party sources. One would have been motivated to obtain the information in

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this way in order to further expand the information in the database without requiring the customer to enter a large amount of data.

Claims 34-40: Myhre and Logan disclose the method as in Claim 1 above, and Saxe discloses determining the service provider of the customer as in Claim 33 above. However, none of the references disclose the steps involved in changing the customer to the new service provider upon receiving an indication of accepting such a change from the customer. Official Notice is taken that it is old and well known within the art to provide promotional offers for customers to switch from one service provider to another (i.e. AOL vs Prodigy vs Compuserve, etc.)(see page 2 of Stephen Ellis, "Credit Cards Firms Drive Down Costs", submitted by the Applicant as item GG on the Information Disclosure Statement filed on May 19, 1999, paper number 5, as support for this Official Notice). It is also well known that one will normally cancel any existing service agreement with another service provider when initiating a new service agreement with the second service provider (such as when switching long distance telephone service providers). It is also well known to check the second service provider's customer database to ensure that the requestor is not already a customer. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for the second service provider to check for duplicate membership, to initiate a new service contract with the customer if not a duplicate, and to cancel any existing service contract with the other services providers. One would have been motivated to perform these steps in order to prevent duplication of services being provided to the customer.

5. Claims 20-28, 41, 46-48, and 50 are rejected under 35 U.S.C. 103(a) as being unpatentable over Myhre (Examiner's Affidavit) in view of Logan et al (5,721,827) and in further view of Weinblatt (5,515,270).

Claims 20-28: Myhre and Logan disclose the method as in Claim 19 above, but do not disclose that the price is reduced by a predetermined amount or percentage or reduced to zero (free item) or that the reduction is taken if the price of the item is greater than the reduction amount. Weinblatt discloses a similar method in which the promotions (offers) "can involve coupons for lowering the price"..."2 for 1 sale, oversize containers sold for the same price, manufacturer rebates, combining one product with another product, free giveaways, eligibility for a prize drawing, etc." (col 8, lines 40-45), Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that various types of offers could be utilized, to include price reductions based on a predetermined amount, a predetermined percentage, reduction of the price to zero (free giveaway), etc. It also would have been obvious to limit the reduction to no more than the total price of the item being purchased. One would have been motivated to include these types of price reduction offers and to place such a limit on the reduction in order to increase the flexibility of the system while preventing the merchant from losing money by actually paying the customer to take the item (if the price reduction exceeded the price of the item).

Claims 41, 46, 47, and 50: Myhre and Logan disclose the method as in Claim 1 above, but do not disclose that the offer is made only if the price of the item is greater than a predetermined threshold. Weinblatt discloses a similar method in which the offer

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(reward) is based on the purchase parameters, such as number of items, item cost, category of item, etc. (col 13, line 11 - col 14, line 19). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to base the offer on various parameters of the purchase information. One would have been motivated to use the price of the item or total payment amount in order to present offers customized to the purchase to increase the likelihood that the customer will accept the offer.

Claim 48: Myhre and Logan disclose the method of Claim 1 above, and Weinblatt discloses basing the offer on the item as in Claims 41, 46, 47, and 50 above. Weinblatt also discloses that the advertiser will select the offer (col 13, line 11 - col 14, line 19). This infers that the advertiser is selecting the offer from a plurality of such offers (i.e. if the advertiser only had one offer, there would be no need to make a selection). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to select the offer from a plurality of offers. One would have been motivated to have a plurality of offers available in order to increase the range of customers and offers with matching parameters.

### ***Response to Arguments***

6. Applicant's arguments filed October 7, 2004 have been fully considered but they are not persuasive.



a. The Applicant argues that the references “do not disclose that any offer is provided after there is an indication of an item that a customer is to purchase” (page 23). However, as stated in the rejection above, if the customer has not indicated a desire to purchase a cellular telephone no offer is provided. It is only after the customer has shown interest in purchasing a cellular telephone that the offer is made. If the customer indicates the desire to purchase a computer, for instance, the cellular telephone subsidy offer would not be presented.

b. The Applicant argues that advertisements and offers are not synonymous and that combining Myhre and Logan would involve “presenting advertisements from different advertisers to customers” (page 24). The Examiner disagrees that an offer to subsidize a purchase is not an advertisement. While the term “advertisement” is a very broad term used to identify a wide variety of promotional messages, an offer to subsidize one product if the customer purchases that additional product indicated in the offer is just one type of such promotional messages. Thus, to rephrase the Applicant’s logic, combining Myhre and Logan would result in “presenting advertisements (offers) from different (a plurality of) advertisers (second merchants) to customers”, which is exactly what is claimed in the amended claims.

c. The Applicant argues that the references do not show that the offer is based on customer information and that the selection of a certain brand and model of cellular telephone is not information about the customer (page 24). The Examiner notes that this has been addressed in the expanded rejection of Claim 6 above.

d. The Applicant argues that the references do not disclose only presenting the offer is a predetermined rule is satisfied (page 25). The Examiner notes that, as discussed in the rejection, the customer must indicate an interest in purchasing a cellular telephone before a subsidy offer is made. If the customer indicates a desire to purchase some other product, such as a computer, the cellular telephone subsidy offer is not presented.

e. The Applicant argues that since the references do not explicitly disclose that the information is verified that it would not have been obvious to do so. The Applicant further states in response to the Examiner's conclusion that "without such verifying, it may be impossible for Sprint to complete a credit check and issue an approval", that "there are many alternate explanations besides verification, For example, Sprint could have run a credit check on the customer, or determined that the customer had not previously broken cellular telephone contracts" (page 26). The Examiner notes that without verifying that the customer information was accurate, i.e. correct name, address, etc., Sprint would not be able to perform a credit check on the customer, or determine if the customer had broken previous telephone contracts. If the customer entered in erroneous information, such as his own name and address but the Applicant's credit card number, Sprint would not have approved the application because the customer information could not be verified (i.e. customer name does not match name on credit card). The Examiner further notes that verification of customer information during transactions is very old and well known and predates not only the present application, but also the present Applicant.

f. The Applicant argues that there is no reason why Myhre would assess a penalty against the customer if the customer information is not accurate (page 26). The examiner notes that as discussed in the rejection above, if the customer's information cannot be verified (i.e. the customer name does not match the name on the credit card) the customer is penalized by having the transaction (and offer) refused.

g. The Applicant argues that none of the references show that the second merchant making the subsidy offer is a credit card issuer (page 27). The Examiner notes that the offer from the second merchant to subsidize the customer's purchase at the first merchant could pertain to any type of product or service sold by the second merchant, to include credit card services. The type of product or service included in the subsidy offer does not change or affect the steps of the claimed invention. The application form submitted by the customer in Myhre could have been an application form for any product or service provided by the second merchant (Sprint).

h. The Applicant's two arguments in reference to Claim 61 have been addressed above.

i. The Applicant argues that neither Myhre nor Saxe disclose receiving information about a service provided to the customer from a party other than the customer (pages 27-28). The Examiner notes that as discussed in the rejection, Saxe discloses receiving information (from the customer or a third party) about the customer's present cable account, i.e. a service provided to the customer. It would also have been obvious to determine the customer's present telephone service provider in order to

determine whether or not the customer was an existing customer or a new customer to the second merchant.

j. The Applicant argues that there is no motivation to combine the references because at the time period of the affidavit "cellular telephones of a given manufacturer were operable with a single cellular service provider. Thus, it would make no sense to alter the assertions of Myhre to include, e.g. different service providers" (pages 28-29). The Examiner notes that while the above may have been true in 1992, by the time the present invention was filed in 1998 it was not. The number of cellular telephone manufacturer and service provider had greatly expanded and interoperability between the product and the service providers had become the norm. Thus, by the time the present invention was filed it would have been obvious to provide offers from a plurality of second merchants (service providers).

k. The Applicant argues that the references are non-analogous art in that they are performing transaction on different types of products or services and, thus, "are directed to differencing fields" (pages 29-30). The Examiner notes that selling various types of products are not in different fields, they are in the same field – sales. The Examiner further notes that the claimed invention supports this by merely claiming that the customer is purchasing "an item" from the first merchant and receiving the subsidy from the second merchant when the customer agrees to purchase a second item or service from the second merchant. Such "items" and "services" encompass all known types of items and services to include the ones in the cited references and are not

limited to any specific "field" of sales. Thus, it is proper and correct to combine references drawn to purchasing differing types of items or services.

I. The Applicant presents the same arguments on pages 31-41 that were presented in reference to the use of an Examiner's Affidavit in a co-pending application (09/045,518) and which were traversed by the Board of Patent Appeals and Interferences (BPAI) in a May 26, 2004 Decision of the co-pending application. The part of that Decision which addresses these arguments are presented below.

*"Appellant asserts (brief, pages 30-35) that the examiner's Affidavit is not substantial evidence. It is argued to the effect that because the Board cannot reach conclusions based upon its own understanding or experience, that this applies to the examiner. It is further argued that due to length of time between the examiner's experience and the date of the affidavit, that the accuracy of the examiner's memory must be questioned, and that hindsight affected the examiner's belief of what transpired in the 1950's and 1960's. It is further argued that the examiner's Affidavit is not subject to contradiction because the examiner cannot be called upon by appellant to testify or clarify the assertion (of the Affidavit under oath during the examination process. Appellant further argues that the rules provide for public use proceedings when there is an allegation of public use or sale more than one year before the filing of an application. It is further argued that allowing examiner allegations of prior public use would dramatically change prosecution. Specifically, appellant asserts "[i]f an affidavit of an Examiner, alleging prior but currently discontinued public use of an invention, were*

*allowed to constitute substantial evidence, ex parte examination would be dramatically altered.” (pages 26-27 of the Decision).*

*“We do not agree with appellant that the examiner’s Affidavit is based on hindsight. The examiner has the right, under the rule, to provide an Affidavit based upon the examiner’s personal knowledge, as the basis for a rejection. 37 CFR § 1.104(d)(2) recites that:*

*When a rejection in an application is based on facts within the personal knowledge of an employee of the Office, the data shall be as specific as possible, and the reference must be supported, when called for by the applicant, by the affidavit of such employee, and such affidavit shall be subject to contradiction or explanation by the affidavits of the applicant and other persons.*

*We agree with appellant that the examiner is not subject to cross-examination, under oath, during patent prosecution. However, this does not preclude appellant from questioning the veracity of the information set forth in the examiner’s Affidavit. The rule permits appellant to submit affidavits to contradict or explain the examiner’s assertions. For example, appellant could have asked the examiner how many times a more expensive item was substituted, or were there ever situations when the examiner was given the change he was due, and not offered additional products. Also, the examiner could have been asked whether there were times when the examiner declined to accept additional items in lieu of his change, and if so, what happened. We find no evidence in the briefs relating to any Affidavits submitted by the appellant to contradict the examiner’s Affidavit.*

*With regard to appellant's assertion that the rules provide for Public Use proceedings when there is an allegation of public use or sale of the invention more than one year before the filing of an application, we note that the examiner's Affidavit is not directed to the examiner's prior personal knowledge of a computer implemented invention, as is appellant's disclosed invention. To the extent that some of the claims do not require a computer implemented invention, we note that as set forth in the rules, the procedure for instituting a Public Use proceeding is by way of petition. The record does not reflect any petition by appellant for a Public Use proceeding to be established. Accordingly, we consider the issue to be moot." (pages 36-38 of the Decision).*

### **Conclusion**

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached Monday through Thursday from 6:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 3600 is (703) 872-9306. Draft or Informal faxes, which will not be entered in the application, may be submitted directly to the examiner at (703) 746-5544.

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Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.



JWM

December 9, 2004



James W. Myhre  
Primary Examiner  
Art Unit 3622